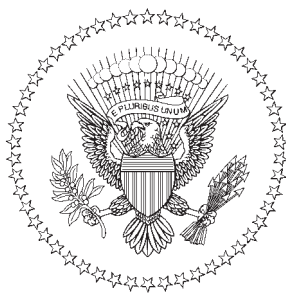


107th Congress, 2d SessionH. Doc. 107-158

Economic Report of the President



Transmitted to the Congress
February 2002

together with
THE ANNUAL REPORT
of the
COUNCIL OF ECONOMIC ADVISERS

UNITED STATES GOVERNMENT PRINTING OFFICE

WASHINGTON : 2002

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**ECONOMIC REPORT
OF THE PRESIDENT**

ECONOMIC REPORT OF THE PRESIDENT

To the Congress of the United States:

Since the summer of 2000, economic growth has been unacceptably slow. This past year the inherited trend of deteriorating growth was fed by events, the most momentous of which was the terrorist attacks of September 11, 2001. The painful upshot has been the first recession in a decade. This is cause for compassion—and for action.

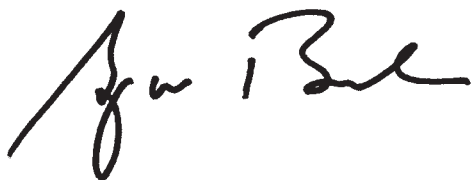
Our first priority was to help those Americans who were hurt most by the recession and the attacks on September 11. In the immediate aftermath of the attacks, my Administration sought to stabilize our air transportation system to keep Americans flying. Working with the Congress, we provided assistance and aid to the affected areas in New York and Virginia. We sought to provide a stronger safety net for displaced workers, and we will continue these efforts. Our economic recovery plan must be based on creating jobs in the private sector. My Administration has urged the Congress to accelerate tax relief for working Americans to speed economic growth and create jobs.

We are engaged in a war against terrorism that places new demands on our economy, and we must seek out every opportunity to build an economic foundation that will support this challenge. I am confident that Americans have proved they will rise to meet this challenge.

We must have an agenda not only for physical security, but also for economic security. Our strategy builds upon the character of Americans: removing economic barriers to their success, combining our workers and their skills with new technologies, and creating an environment where entrepreneurs and businesses large and small can grow and create jobs. Our vision must extend beyond America, engaging other countries in the virtuous

cycle of free trade, raising the potential for global growth, and securing the gains from worldwide markets in goods and capital. We must ensure that this effort builds economic bonds that encompass every American.

America faces a unique moment in history: our Nation is at war, our homeland was attacked, and our economy is in recession. In meeting these great challenges, we must draw strength from the enduring power of free markets and a free people. We must also look forward and work toward a stronger economy that will buttress the United States against an uncertain world and lift the fortunes of others worldwide.

A handwritten signature in black ink, appearing to read "G. W. Bush". The signature is fluid and cursive, with a large initial "G" and a stylized "W".

THE WHITE HOUSE
FEBRUARY 2002

THE ANNUAL REPORT
OF THE
COUNCIL OF ECONOMIC ADVISERS

LETTER OF TRANSMITTAL

COUNCIL OF ECONOMIC ADVISERS,
Washington, D.C., February 5, 2002.

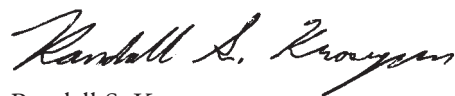
MR. PRESIDENT:

The Council of Economic Advisers herewith submits its 2002 Annual Report in accordance with the provisions of the Employment Act of 1946 as amended by the Full Employment and Balanced Growth Act of 1978.

Sincerely,



Robert Glenn Hubbard
Chairman



Randall S. Kroszner
Member



Mark B. McClellan
Member